

**Information Services Board (ISB) Meeting Minutes**

Department of Information Services Board Room, The Forum Building  
Olympia, Washington  
November 24, 1998

**Members Present:**

Joe Dear  
Charles Baum  
Emilio Cantu  
Jim Coolican  
Tom Fitzsimmons  
Steve Kolodney  
Mary McQueen  
Marsha Tadano Long  
Cathy Wolfe

**Others Present:**

Paul Taylor

**Members Absent:**

Jaysari Guha  
William Finkbeiner  
Ed Lazowska

**Call to Order**

Mr. Joe Dear, Information Services Board (ISB) Chair, called the meeting to order.

**Roll Call**

Sufficient members were present to constitute a quorum.

**Approval of Minutes**

The minutes from the September 3, 1998, ISB meeting were approved.

**DOL Decision Packages**

Mr. Andy Marcelia, Senior Technology Management Consultant, Department of Information Services (DIS), introduced Ms. Evelyn Yenson, Director, Department of Licensing (DOL), and Mr. Tom Brewer, Assistant Director of Information Services, DOL, to present their proposed budget priorities and technology improvements to the Board.

Ms. Yenson described the initiatives as projects short term in nature; business based and meant to optimize the cost, accuracy, speed, access and efficiency of service to DOL customers.

The first initiative is to implement a six-year driver's license renewal. Currently the renewal is done every four years. The cost will remain \$3.50 per year, but at renewal, customers will pay \$21 instead of the current \$14. The second initiative is an improvement to the driver's license document by digitizing it and making it

more secure. The third initiative is to increase the number of field staff by 25 full-time equivalents (FTEs), 20 will serve the field offices by adding a special line for renewal customers, and five FTEs will work to reduce backlogs for the driver tests. Ms. Yenson estimated that with the additional staff the renewal wait times could be reduced by 25 percent.

In accordance with DOL's goal towards enhancing agency operations through the use of technology, several other low-risk initiatives have been submitted. One is to replace the automated testing system that is inefficient, outdated and doesn't address the need to offer the test in a variety of foreign languages. The next is a lobby management system, to move customers through the lines more efficiently.

Additional initiatives that require funding for proof of concept models and/or incremental development are the integration of vehicle and driver information, called "search and query." Another is to provide alternative services over the Internet, called the "Internet query." Upgrades to the network for increased capacity and replacement of aging equipment are also being proposed.

Mr. Emilio Cantu questioned the commitment to a 5 percent reduction in wait time (1½ minutes) as being a sufficient benefit when asking citizens to pay more money at the time they renew licenses with the six-year renewal plan. Ms. Yenson replied that they estimate the benefit to be closer to 50 percent, but her commitment to the Governor was a conservative one. Mr. Cantu suggested Ms. Yenson offer a commitment of greater efficiencies to justify the change to a six-year renewal. Ms. Marsha Tadano Long suggested the focus should be to cut the number of people waiting over twenty minutes as opposed to trimming a minute here or there.

Mr. Dear echoed other Board member's expressions of appreciation to DOL for preparing a plan that provides a sensible business approach to its technology needs.

A motion was made and seconded to approve DOL's proposed approach on Information Technology (IT) for the 1999-01 Biennium.

The motion carried unanimously.

**ISB Acquisition Sub-Committee Report**

Mr. Tom Fitzsimmons, Chair of the ISB's Acquisition sub-committee, reported on the status of the Department of Health's (DOH) Licensing and Enforcement Automated Program acquisition to license and regulate health practitioners.

The Board asked DOH to address concerns it had with the vendor, System Automation Services Corporation (SAC) to the sub-committee prior to Board approval of the acquisition. At issue was the viability of contracting with a relatively small company to perform extensive modifications to its proprietary application, the cost of which roughly equaled its marked capitalization. To address these concerns, and to mitigate against failure to perform, DOH was to address, through the contract, the following questions:

- Who would own the source code?
- Would there be an on-going dependence on SAC for modifications?
- Who would own the DOH modifications?
- Would the costs of the underlying software licenses be included?
- Are there issues with on-going compatibility?
- Will SAC have the financial resources to support the program for the long term?

DOH engaged the services of an attorney to assist them so the SAC contract would be structured to provide DOH with ownership of the source code and modifications in the event the vendor could not continue to perform its duties. The sub-committee was satisfied with solutions proposed and approved the acquisition.

**Department of Social & Health Services Electronic Benefits Transfer**

Mr. Marcelia, Senior Technology Management Consultant, DIS, introduced Secretary, Mr. Lyle Quasim, Department of Social and Health Services (DSHS), to present the status of contract issues with Citibank Services, Inc. (CSI), involving the electronic benefits transfer system (EBT). EBT will provide bank accounts and debit cards to allow DSHS clients access to services.

Mr. Quasim explained EBT has been federally mandated to replace the existing food stamp and cash benefits program by the year 2002. Six western states have contracted with CSI to establish an EBT alliance. Its business benefits include more security

with a personal identification number, less opportunity for fraud, processing ease for retail outlets, and electronic delivery any day of the week.

As stated in the April 1998 contract with CSI, the contractor must develop, test, and certify performance of its systems and interface with other state systems. CSI must meet performance and reliability requirements and be federally approved to proceed with the pilot scheduled for February 1, 1999. CSI is responsible for training, implementation, customer service, and problem resolution.

CSI's failure to establish connectivity and complete interface testing according to the work plan will likely result in significant risk to the pilot schedule. Other problems with CSI include making arbitrary changes without involving DSHS, such as eliminating the availability of interpreter services, changing the automated response script, making it difficult for clients to access a real person, and shifting the workload from CSI to DSHS. CSI has communicated poorly, ignored state requirements and changed technical protocols unilaterally.

In response to the problems, DSHS sent a letter for liquidated damages for late deliverables, a notice of breach of contract for the automated response unit, and a letter about performance issues to CSI's President, Mr. Mark McKenzie. CSI responded by assigning one of its senior information services managers to get the project back on schedule and provided a revised schedule for meeting the February 1, 1999, pilot start.

Mr. Quasim introduced the DSHS EBT project's external quality assurance contractor, Mr. Barry Rau, President of Sterling Associates. Mr. Rau said DSHS has done all of the stakeholder management by the book. DSHS engaged a nationally recognized computer contracts attorney, Mr. Rich Wyde, to draft the contract with CSI to ensure and enable services to be delivered. Mr. Rau said the EBT project is a case of a vendor who failed to deliver on their commitment. He recommended five things:

- CSI must honor the commitments and terms;
- CSI needs to be available to properly address issues that come up during the testing phase;
- DSHS needs to fully enforce its contract with CSI;

- DSHS needs to apply all reasonable efforts to meet the pilot start date of February 1, 1999; and
- DSHS must develop contingency plans to reschedule the February 1, 1999, pilot start date in the event system reliability and accuracy cannot be assured through testing.

Mr. Rau said that by mid-December preliminary information would be coming through from system testing. Mr. Cantu voiced concerns that system testing and federal testing would overlap and that there was insufficient time to do an adequate job. Mr. Quasim identified two fallback positions to March 15, 1999, or to April 1, 1999. He said DSHS would make every effort to meet the original schedule.

Mr. Steve Kolodney asked if CSI had implemented EBT in other states. Mr. Quasim stated that it has, but since the federal government has made it a requirement nationwide, the number of states implementing at the same time as Washington has stretched the vendor's capability to respond to issues.

Mr. Bill Zidel, CSI project manager for the state of Washington, was asked to comment on the actions of CSI to remedy the situation. Mr. Zidel conceded CSI had not been fully attentive to the EBT project, nor fully responsive to DSHS' concerns. However, Mr. Zidel also credited DSHS management with remaining vigilant and pressuring CSI to deliver on its overdue commitment to establish connectivity between bank and agency systems. DSHS is testing it now, transferring files and testing the relationship between the CSI mainframe and the Automated Client Eligibility System. CSI, located on the east coast, also increased its hours of daily support for testing to compensate the three-hour time difference. He said CSI is committed to completing the project on schedule.

Board members were concerned about meeting the deadlines and expressed support for DSHS in its efforts to stay on schedule. Mr. Cantu asked that the Board be updated on the schedules should the dates on the critical path be changed. Mr. Fitzsimmons requested that a status report be provided to the Board prior to and at the next full ISB meeting.

**Year 2000 Program Update  
and Policy Clarification  
Statement**

Mr. John Saunders, Year 2000 (Y2K) Program Manager, DIS, provided an update on the Y2K Program and information for the Board to consider

when making modifications to the Year 2000 Compliance Policy dated July 1996.

Mr. Saunders provided the results from the November 16, 1998, Y2K risk assessment prepared by Mr. Rau and Sterling Associates. The report is issued every two months. Mr. Saunders said the risks have continued to decline over time. Approximately 56 percent of the total 454 mission critical systems are compliant and of those, about 34 systems are actually certified according to the guidelines established by the Board for Year 2000 compliance certification. There is an increased risk of meeting milestones. He explained that the report shows it is taking longer to get things done than originally anticipated. This trend will be monitored carefully to see that the statewide completion goal of having everything certified by June 1999 is met.

In addition to the information systems side, the Department of General Administration (GA) is conducting a similar risk assessment for embedded systems, for example, systems to heat or secure statewide facilities. The Y2K steering committee has adopted some policy guidance for all state agencies on how to conduct contingency planning to prepare for unexpected interruption of services.

The estimated total amount of costs of what has been appropriated, funded, or redirected for the Y2K is about \$83 million. Additional funding requests have been submitted for the 1999-2001 Biennium. Mr. Saunders introduced Mr. Stan Ditterline, Senior Technology Management Consultant, DIS, to present the Y2K funding requests.

Mr. Ditterline compiled the agency detail for budget requests for the Y2K into four broad categories with their respective percentage of funds requested.

- Continuation of Y2K activities – 14 percent
- Remediation of program critical applications – 40 percent
- Remediation of personal computer (PC) hardware/software and embedded systems – 18 percent
- Y2K clean up – 28 percent

Though funding requests were for \$15.3 million, DIS recommended to the Office of Financial Management

that an additional \$11 million would be needed. \$2 million would be deferred to GA for embedded systems. The difference of about \$4 million requested for upgrades to PCs and software should be funded elsewhere.

Mr. Cantu asked if getting the money in July 1999 will allow enough time to fix the program critical problems prior to the Y2K. Mr. Saunders said specific agencies could come to the Board and comment on their proposals.

Mr. Kolodney suggested that a letter be sent to the executive steering committee from Mr. Dear about the prompt reporting of certification on the part of agencies to assure that they are diligent in their reporting on risk assessment. Mr. Dear agreed to do so.

Mr. Saunders said the current version of the Year 2000 Date Field Compliance Policy, July 1996, requires agencies to certify that their systems represent years in four-digits. The Y2K program has been tracking compliance of 1200 data exchanges between state agencies and over 50 with federal agencies. Besides the four-digit year representation, another method being used is called "windowing." Agreements are made between agencies to assume that anytime a high number such as a 98 appears, it would be assumed to be in the 1900s, but an 01 would be in the year 2000. Eighty percent of projects surveyed by GartnerGroup are using windowing. Since the state has no control over external exchanges, the four-digit format may not be an option. The four-digit conversion should be treated as a long-term goal. Mr. Dear said the current policy could not be implemented by some agencies because they exchange data with entities that will not use a four-digit date.

Ms. Cathy Wolfe made a motion to approve the draft policy as presented. Mr. Fitzsimmons recommended that agencies need to work toward a permanent solution by converting dates to four digits and advocated a replacement schedule that leads to compliance with the original Year 2000 Date Field Compliance Policy. A friendly amendment was added to the motion to require agencies to report their progress on the final conversion to four-digit dates on a regular basis through the portfolio management process.

The motion carried unanimously.

**Year 2000 Compliance and  
Certification Policy  
Amendment**

Mr. Saunders introduced Mr. Tom Wendel and Mr. Richard Heath, Office of the Attorney General (OAG), to suggest modification to the Year 2000 Date Field Compliance Policy. Mr. Wendel said people in the IT industry have stated that it is impossible to guarantee that testing will reveal all problems with code affected by the Y2K. He further stated if that is the case, then taking reasonable care does not mean an absolute fix. The OAG is giving legal advice to agencies not to certify Y2K compliance if they do not know for certain that there will not be any errors or interruptions due to the millenium change. It proposed language to the Board to modify the policy to say: "Agencies shall certify to the Board that their mission critical systems have been assessed for Y2K non-compliance, undergone remediation efforts as warranted, and tested, and that there are no indications that the systems will experience error or interruption from functions that may involve date data for more than one century."

The motion carried unanimously.

**Portfolio-based IT  
Management and Oversight**

Mr. Paul Taylor, Acting Deputy Director, DIS, introduced Mr. Al Bloomberg, IT Manager, Department of Natural Resources (DNR). Mr. Bloomberg commented on their process for developing the baseline IT portfolio as the initial agency to implement portfolio-based management. Mr. Bloomberg explained the history of how technology decisions have been made at DNR by an IT Board, made up of business representatives. The portfolio method has allowed DNR to prioritize both new projects and planned initiatives. He said it has increased their knowledge about the agency and costs. It has given them an opportunity to look at the overall infrastructure, set performance measures and target projects to set their preferred direction.

Mr. Charlie Baum, Department Supervisor, DNR, said the portfolio is a central place to analyze the variety of initiatives launched. As a result, they have been able to chart and summarize projects in a way that is easily understood by executive management. There is room for refinement to develop easy to consume information for the executive management level. Mr. Bloomberg mentioned they plan to include cross-references and an executive summary.



Mr. Taylor said the lesson learned by DNR to incorporate an executive summary has been incorporated into the second iteration of the content requirements that are being used to implement the next round of agency portfolios. These agencies were trained and have begun the next pilots. They are: DOL, Employment Security Department, Department of Labor & Industries, and DIS. The pilots are targeted to be completed by the end of 1998 and the intention is to work toward a statewide implementation during the first and second quarters of 1999.

Mr. Taylor said DIS has submitted agency request legislation to conform chapter 43.105 RCW with the principals of portfolio management, removing references to agency IT Strategic and Tactical Plans.

Ms. Mary McQueen suggested changing legislation language to be more generic in endorsing portfolio management, while delegating the authority to the ISB and DIS to define the components of portfolio management. Mr. Kolodney said that was a very good suggestion.

Mr. Cantu asked how DIS will evaluate what was done under the previous system and how state agencies are doing under the new system. Mr. Taylor said he will report back to the Board at future meetings.

Mr. Taylor distributed the schedule for the 1999 ISB meetings.

**Remaining Agenda Items**

None.

**New Business**

None.

**Adjournment**

The meeting was adjourned.